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WISCONSIN ECONOMIC INDICATORS

DECEMBER 1984

DILHR

DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCE
L1	Composite Index of Leading Indicators	Wis.Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wis. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wis. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wis. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wis. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wis. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wis. Department of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Securities Registrations	Wisconsin Commissioner of Securities
C7	Personal Income	"Business Week," McGraw Hill
C8	Average Weekly Earnings, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wis. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wis. Department of Health and Social Services
X2	Death Registgrations	Wis. Department of Health and Social Services
X3	Natural Net Gain in Population	Wis. Department of Health and Social Services
X4	Marriage Registrations	Wis. Department of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wis. Dept. of Industry, Labor and Human Relations
X9	Manufacturing Employment	Wis. Dept. of Industgry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the Census Method II Seasonal Adjustment Program. The adjusted data are plotted on arithmetic scales.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Standard Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading or coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically. The indicators are grouped by cyclical timing.

COVER PHOTO: Winter scene. Courtesy of Wisconsin Division of Tourism.

THE WISCONSIN ECONOMY

SUMMARY FOR NOVEMBER

LEADING INDICATORS OF ECONOMIC ACTIVITY THROUGHOUT WISCONSIN WERE MIXED DURING NOVEMBER. HOWEVER, SOME OF THE SLACK IN THE INDICATORS IS DUE TO SEASONAL FACTORS.

LEADING INDICATORS

The average workweek for Wisconsin's manufacturing production workers dropped in November to 40.2 hours per week. A decrease in the eleventh month of the average workweek series is unusual since manufacturers normally increase production for holiday buying.

The hours data averaged over 41 hours during the first ten months of the year, but the number of workers employed in manufacturing was down in the first half of the year.

A burst of production activity boosted third-quarter manufacturing indicators: manufacturing employment rose to well over 500-thousand, the average workweek remained around 41 hours, and overtime hours were at the highest levels of the year.

The latest two-month's slip in average workweek, and manufacturing employment, may be the result of inventory adjustment from a very productive second quarter.

A moderate increase of initial claims for unemployment compensation brought the average to over 13-thousand per week in November. However, an increase of claims is seasonally normal in November; and this year's latest figure is below the year-ago level.

Initial claims have behaved very erratically this year and have not indicated a strong general economic trend either up or down. 1984 is well along in setting a new record for new business incorporations.

While November's incorporation number is down slightly, the decrease is a normal seasonal trend. For the eleven months of available incorporations data, 1984 is averaging 564 per month. Prior to 1984, the highest per month incorporation average was 1981 with a 550 average. The lowest average since 1980 was a 518 monthly rate, which occurred in 1982. Of significance is that most new jobs are created in small businesses.

The number of building plans examined is on its way to a post-recession record, though not an all-time record. While the number of November's examinations did decline, the trend is up when seasonal factors are considered. Building plans, including alterations to existing buildings, for industrial and commercial use must be examined by state inspectors for safety requirements. With one remaining month of data yet unavailable, the average number of examined is 502 per month. That's the highest monthly average since 1978, which had a 551 per-month rate. 1984's average beat the previous year by 100 more per month; and is well above the recessionary low of 320 per month. An increase of plans examined usually precedes growth of construction employment. And, construction employment in 1984, for the first eleven months, has averaged higher than the two previous years.

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month		Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	% CHANGE Yr/Ago	AVG. 1983
LEADING INDICATORS								
L1 COMPOSITE INDEX OF LEADING INDICATORS								
Seasonally Adjusted	INDEX	74.2	Nov	68.9	67.5	7.7	9.9	58.0
L2 AVG. WORK WEEK, MFG.								
Unadjusted	HOURS	40.2	Nov	40.6	41.5	-1.0	-3.1	40.7
Seasonally Adjusted		39.8		40.7	41.1	-2.2	-3.2	
L3 AVG. OVERTIME HOURS, MFG.								
Unadjusted	HOURS	2.8	Nov	3.2	3.4	-12.5	-17.6	2.8
Seasonally Adjusted		2.7		3.1	3.2	-12.9	-15.6	
L4 AVG. WEEKLY INITIAL CLAIMS								
Unadjusted	NUMBER	13,601	Nov	11,860	15,918	14.7	-14.6	14,694
Seasonally Adjusted		11,094		12,393	12,983	-10.5	-14.5	
L5 TOTAL JOB OPENINGS REC.								
Unadjusted	NUMBER	7,486	Nov	9,110	6,828	-17.8	9.6	7,099
Seasonally Adjusted		9,334		9,202	8,512	1.4	9.7	
L6 NEW BUSINESS INCORPORATIONS								
Unadjusted	NUMBER	541	Nov	554	532	-2.3	1.7	544
Seasonally Adjusted		575		566	565	1.6	1.8	
L7 NET GAIN IN BUSINESS PHONES ACCESS LINES								
Unadjusted	NUMBER	1,333	Nov	53	1,147	2415.1	16.2	892
Seasonally Adjusted		588		370	700	58.9	-16.0	
L8 BUILDING PLANS EXAMINED								
Unadjusted	NUMBER	566	Nov	719	388	-21.3	45.9	275
Seasonally Adjusted		607		528	416	15.0	45.9	
ROUGHLY COINCIDING INDICATORS								
C1 HELP-WANTED INDEX (MILW.)								
Seasonally Adjusted	INDEX	55	Nov	52	47	5.8	17.0	38
C2 UNEMPLOYMENT RATE, TOTAL								
Unadjusted	PERCENT	6.7	Nov	7.0	8.2	-	-	10.4
Seasonally Adjusted		7.3		7.7	9.1	-	-	
C3 NATURAL GAS SALES								
Unadjusted	MIL. THERMS	190.1	Oct	126.5	193.3	50.3	-1.7	247.9
Seasonally Adjusted		230.4		237.3	234.2	-2.9	-1.6	
C4 NEW CAR REGISTRATIONS								
Unadjusted	NUMBER	14,034	Nov	19,105	15,258	-26.5	-8.0	14,429
Seasonally Adjusted		13,559		18,952	14,739	-28.5	-8.0	
C5 ELECTRIC POWER SALES								
Unadjusted	MIL. KWH	1963.2	Oct	1837.9	1802.2	6.8	8.9	1,765
Seasonally Adjusted		1949.6		1864.0	1788.9	4.6	9.0	
C6 TOTAL SECURITIES REGISTRATIONS								
Unadjusted	MIL. DOL.	93.4	Nov	66.3	155.4	40.9	-39.9	143.3
Seasonally Adjusted		69.7		65.0	116.0	7.2	-39.9	

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month		Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	Yr/Ago	AVG. 1983
C7 PERSONAL INCOME								
Unadjusted	MIL. DOL.	4,804	Aug	4,788	4,384	0.3	9.6	4,449
Seasonally Adjusted		4,857		4,783	4,433	1.5	9.6	
C8 AVG. WEEKLY EARNINGS, MFG.								
Unadjusted	DOLLARS	403.21	Nov	403.56	415.83	-0.1	-3.0	398.01
Seasonally Adjusted		395.69		404.77	408.00	-2.2	-3.0	
C9 CASH RECEIPTS FROM FARM MKTG.								
Unadjusted	MIL. DOL.	428.0	Sep	444.0	404.4	-3.6	5.8	415.3
Seasonally Adjusted		441.2		420.1	416.7	5.0	5.9	
C10 CONTRACT CONSTRUCTION EMPL.								
Unadjusted	THOUS.	62.0	Nov	64.5	63.6	-3.9	-2.5	55.0
Seasonally Adjusted		60.8		57.2	58.3	6.3	4.3	
OTHER KEY INDICATORS								
X1 BIRTH REGISTRATIONS								
Unadjusted	NUMBER	5,466	Nov	7,226	5,291	-24.4	3.3	6,006
Seasonally Adjusted		6,094		7,496	5,898	-18.7	3.3	
X2 DEATH REGISTRATIONS								
Unadjusted	NUMBER	3,222	Nov	3,726	3,057	-13.5	5.4	3,391
Seasonally Adjusted		3,184		3,833	3,020	-16.9	5.4	
X3 NATURAL NET GAIN POPULATION								
Unadjusted	NUMBER	2,244	Nov	3,500	2,234	-35.9	0.4	2,615
Seasonally Adjusted		2,753		3,646	2,741	-24.5	0.4	
X4 MARRIAGE REGISTRATIONS								
Unadjusted	NUMBER	3,133	Nov	4,981	3,059	-37.1	2.4	3,340
Seasonally Adjusted		4,079		5,093	3,984	-19.9	2.3	
X5 CONSUMER PRICE INDEX (MILW.)				(Sep)				
Unadjusted	INDEX	324.3	Nov	324.0	312.5	0.1	3.8	309.5
X6 PRICES RECEIVED BY FARMERS								
Unadjusted	INDEX	143	Nov	143	142	0.0	0.7	142
Seasonally Adjusted		144		143	143	0.7	0.7	
X7 NET GAIN IN RESIDENTIAL PHONES ACCESS LINES								
Unadjusted	NUMBER	2,212	Nov	1,744	2,159	26.8	2.5	872
Seasonally Adjusted		1,656		1,386	850	19.5	94.8	
X8 LABOR DISPUTES, NO. OF WORKERS								
Unadjusted	NUMBER	640	Nov	750	462	-14.7	38.5	2,542
Seasonally Adjusted		952		511	688	86.3	38.4	
X9 MANUFACTURING EMPL.								
Unadjusted	THOUS.	505.2	Nov	509.9	499.4	-0.9	1.2	486.0
Seasonally Adjusted		504.7		504.9	498.9	-0.0	1.2	

Section

B LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES NOVEMBER	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Unadjusted					
CIVILIAN LABOR FORCE	2396.0	2416.4	2422.4	-0.8	-1.1
Employment (Inc. Labor Disputes)	2235.4	2246.8	2223.3	-0.5	0.5
Unemployment	160.6	169.6	199.1	-5.3	-19.3
Unemployment Rate	6.7	7.0	8.2	-	-
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2431.7	2440.7	2423.6	-0.4	0.3
Employment (Inc. Labor Disputes)	2253.1	2253.7	2203.4	-0.0	2.3
Unemployment	178.6	187.0	220.2	-4.5	-18.9
Unemployment Rate	7.3	7.7	9.1	-	-

WISCONSIN EMPLOYMENT ESTIMATES NOVEMBER	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
TOTAL NONFARM WAGE AND SALARY WORKERS	1954.3	1954.9	1895.0	-0.0	3.1
Unadjusted					
Manufacturing	504.6	509.2	499.3	-0.9	1.1
Mining	2.6	2.8	2.7	-7.1	-3.7
Contract Construction	62.0	64.5	63.6	-3.9	-2.5
Transportation and Public Utilities	88.7	88.6	88.1	0.1	0.7
Elec., Gas and Sanitary Services	17.1	17.2	16.7	-0.6	2.4
Wholesale Trade	102.5	102.2	97.3	0.3	5.3
Retail Trade	359.2	355.7	340.0	1.0	5.6
General Merchandise	49.7	47.2	45.9	5.3	8.3
Finance, Insurance and Real Estate	100.4	100.3	97.5	0.1	3.0
Banking	27.8	27.7	27.0	0.4	3.0
Insurance	32.0	31.8	31.7	0.6	0.9
Service and Miscellaneous	403.5	405.5	386.4	-0.5	4.4
Hospitals	69.9	70.4	73.8	-0.7	-5.3
Private Education	24.4	24.4	23.6	0.0	3.4
Government	330.8	326.1	320.2	1.4	3.3
State Government	83.9	84.0	82.2	-0.1	2.1
Local Government	218.6	213.8	210.2	2.2	4.0

UNITED STATES LABOR FORCE ESTIMATES NOVEMBER	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	114,026	114,017	112,035	0.0	1.8
Employment	105,872	105,586	102,606	0.3	3.2
Unemployment	8,154	8,431	9,429	-3.3	-13.5
Unemployment Rate	7.2	7.4	8.4	-	-

MANUFACTURING EMPLOYMENT *(Unadjusted)* NOVEMBER	(In Thousands) Latest Month	Month Ago	Year Ago
All Manufacturing (Including Canning)	504.6	509.2	499.3
All Manufacturing (Excluding Canning)	496.0	495.4	490.5
Durable Goods	315.0	314.1	310.1
Lumber and Wood Prod., (Except Furniture)	21.5	22.3	20.9
Sawmills and Planning Mills	2.8	2.8	2.6
Millwork, Veneer, Plywood & Prefab. Wood Prod.	9.5	10.2	9.5
Furniture and Fixtures	10.6	10.4	9.3
Household Furniture	4.9	4.7	4.1
Stone, Clay and Glass Products	8.3	8.4	8.5
Concrete, Gypsum and Plaster Products	3.7	3.8	4.0
Primary Metal Industries	19.9	20.4	18.3
Iron and Steel Foundries	11.3	11.5	10.0
Fabricated Metal Products	49.9	50.3	50.5
Heating Equipment (Except Electrical) & Plumbing Fixtures	4.6	4.7	5.1
Fabricated Structural Metal Products	12.6	12.7	12.1
Metal Stampings	12.0	12.1	12.7
Machinery (Except Electrical)	98.1	98.4	96.2
Engines and Turbines	19.8	19.3	20.2
Farm Machinery and Equipment	12.1	12.7	13.0
Const., Min. & Material Handling Mach. & Equip.	13.0	13.0	13.1
Metalworking Machinery and Equipment	10.6	10.5	9.9
Special Industry Machinery (Except Metalworking)	10.1	10.2	9.6
General Industrial Machinery and Equipment	14.2	14.4	13.4
Service Industry Machines	7.7	7.7	7.4
Electrical Machinery, Equipment and Supplies	49.6	49.9	49.8
Electrical Industrial Apparatus	17.0	17.0	17.2
Household Appliances	6.6	6.5	6.6
Transportation Equipment	35.5	32.8	36.4
Motor Vehicles and Equipment	28.8	26.1	29.5
Instruments and Related Products	10.7	10.6	10.2
Miscellaneous Manufacturing	10.8	10.7	10.0
Nondurable Goods	189.5	195.1	189.2
Food and Kindred Products	60.0	65.5	61.6
Meat Products	14.2	14.1	13.8
Dairy Products	16.6	16.7	17.4
Canning and Preserving	8.5	13.8	8.7
Bakery Products	4.3	4.3	4.8
Beverage Industries	9.0	9.2	9.8
Textile Mill Products	4.8	4.9	4.5
Knitting Mills	4.1	4.2	3.8
Apparel and Other Finished Products	6.8	6.7	6.8
Paper and Allied Products	46.8	46.8	47.0
Pulp and Paper Mills	29.0	28.8	29.1
Converted Paper and Paperboard Products	9.4	9.5	9.5
Paperboard Containers and Boxes	7.3	7.4	7.2
Printing, Publishing and Allied Industries	34.3	34.2	33.1
Newspapers	11.2	11.0	10.6
Commercial Printing	14.1	14.2	13.7
Chemicals and Allied Products	9.4	9.4	9.2
Rubber and Misc. Plastics Products	19.0	18.8	17.9
Miscellaneous Plastics Products	14.6	14.3	13.8
Leather and Leather Products	8.2	8.3	8.7
Leather Tanning and Finishing	2.0	2.0	2.5
Footwear (Except Rubber)	4.4	4.4	4.4
Other Nondurable Goods	-	-	-

Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* NOVEMBER	Average Weekly Earnings			Average Weekly Hours		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$403	$404	$416	40.2	40.6	41.5
All Manufacturing (Excl. Canning)	407	410	420	40.4	40.8	41.7
Durable Goods	413	417	425	40.3	40.8	41.6
Lumber/Wood Prod. (Exc. Furn.)	299	298	305	40.3	40.0	41.2
Furniture and Fixtures	290	303	310	39.5	40.9	41.9
Stone, Clay and Glass Products	380	396	393	40.5	41.6	42.9
Primary Metal Industries	386	403	400	40.3	41.7	41.9
Iron and Steel Foundries	396	412	419	40.0	41.9	43.0
Fabricated Metal Products	396	404	415	39.4	40.1	41.4
Fab. Structural Metal Prod.	412	419	440	41.4	42.2	44.0
Metal Stampings	378	384	368	37.8	38.7	38.5
Machinery (Except Electrical)	471	473	471	41.2	41.5	41.5
Engines and Turbines	511	498	496	41.4	41.3	39.9
Farm Machinery and Equip.	512	518	517	40.9	42.1	42.6
Const. and Related Mach.	477	489	467	41.7	41.3	40.3
Metalworking Mach. and Equip.	487	494	447	41.7	42.0	40.8
Spec. Ind. Mach. (Exc. Metal) .	475	481	496	42.8	43.1	45.2
Gen. Industrial Mach. and Equip.	479	482	477	40.7	41.3	41.5
Electrical Mach., Equip. and Supp.	389	395	395	40.4	40.8	41.2
Electrical Industrial Apparatus	428	434	420	41.6	41.6	41.2
Transportation Equipment	516	516	549	39.3	40.0	42.4
Instruments and Related Prod.	349	349	354	40.3	40.2	41.5
Nondurable Goods	387	382	400	40.1	40.2	41.3
Food and Kindred Products	354	340	367	38.3	38.4	39.0
Meat Products	312	313	379	37.1	37.5	40.1
Dairy Products	387	380	377	40.5	39.9	40.6
Textile Mill Products	282	284	273	40.1	41.4	39.5
Apparel and Other Fin. Prod.	239	234	229	39.0	37.7	38.9
Paper and Allied Products	502	507	501	45.0	45.0	46.1
Pulp and Paper Mills	543	546	535	46.6	45.8	47.0
Printing, Pub. and Allied Prod.	411	408	461	37.8	38.0	40.6
Chemicals and Allied Products	454	447	443	41.7	41.8	42.4
Rubber and Misc. Plastics Prod.	315	326	328	38.9	40.0	40.2
Leather and Leather Products.	250	250	262	37.7	37.7	39.7

Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* NOVEMBER	Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	10.03	9.94	10.02	9.70	9.60	9.61
All Manufacturing (Excl. Canning)	10.08	10.06	10.08	9.75	9.72	9.68
Durable Goods	10.26	10.21	10.22	9.97	9.91	9.87
Lumber/Wood Prod. (Exc. Furn.)	7.42	7.44	7.41	7.36	7.38	7.22
Furniture and Fixtures	7.34	7.41	7.41	7.28	7.37	7.33
Stone, Clay and Glass Products	9.38	9.52	9.17	9.16	9.21	8.87
Primary Metal Industries	9.59	9.66	9.54	9.30	9.28	9.26
Iron and Steel Foundries	9.90	9.84	9.75	9.64	9.49	9.45
Fabricated Metal Products	10.05	10.07	10.03	9.66	9.64	9.63
Fab. Structural Metal Prod.	9.95	9.94	10.00	9.55	9.51	9.67
Metal Stampings	10.01	9.92	9.57	9.89	9.75	9.41
Machinery (Except Electrical)	11.44	11.40	11.35	11.10	11.04	11.04
Engines and Turbines	12.34	12.06	12.43	11.99	11.73	12.07
Farm Machinery and Equip.	12.52	12.30	12.14	12.22	12.02	11.88
Const. and Related Mach.	11.45	11.83	11.60	11.16	11.59	11.44
Metalworking Mach. and Equip.	11.69	11.75	10.95	11.19	11.14	10.56
Spec. Ind. Mach. (Exc. Metal)	11.09	11.15	10.98	10.57	10.60	10.62
Gen. Industrial Mach. and Equip.	11.78	11.66	11.49	11.43	11.23	11.03
Electrical Mach., Equip. and Supp.	9.62	9.67	9.58	9.44	9.47	9.29
Electrical Industrial Apparatus	10.29	10.44	10.20	10.23	10.36	9.97
Transportation Equipment	13.12	12.89	12.95	12.70	12.52	12.28
Instruments and Related Prod.	8.65	8.69	8.53	8.46	8.50	8.32
Nondurable Goods	9.65	9.50	9.68	9.24	9.09	9.17
Food and Kindred Products	9.25	8.85	9.42	8.88	8.48	8.88
Meat Products	8.41	8.35	9.45	8.16	8.14	8.95
Dairy Products	9.56	9.52	9.28	9.19	9.10	8.87
Textile Mill Products	7.03	6.86	6.91	6.82	6.63	6.75
Apparel and Other Fin. Prod.	6.14	6.21	5.88	6.07	6.15	5.71
Paper and Allied Products	11.15	11.27	10.87	10.68	10.80	10.35
Pulp and Paper Mills	11.66	11.93	11.38	11.16	11.45	10.82
Printing, Pub. and Allied Prod.	10.88	10.74	11.35	-	-	-
Chemicals and Allied Products	10.89	10.70	10.44	10.59	10.44	10.20
Rubber and Misc. Plastics Prod.	8.11	8.16	8.15	7.87	7.86	7.87
Leather and Leather Products.	6.63	6.62	6.61	6.54	6.53	6.46

Section

C SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers (Unadjusted) NOVEMBER	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	$379	$373	$366	40.7	40.5	40.8	9.30	9.22	8.97	-	-
Wisconsin	403	404	416	40.2	40.6	41.5	10.03	9.94	10.02	9.70	9.60
Selected Areas											
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	417	415	414	42.3	42.3	43.0	9.86	9.80	9.63	9.39	9.34
Beloit (City)	377	351	453	38.5	37.7	46.9	9.79	9.30	9.66	-	-
Eau Claire (Eau Claire-Chippewa)	410	425	400	41.5	42.2	41.6	9.87	10.07	9.62	9.68	9.75
Fond du Lac (County)	400	387	371	43.4	42.3	41.1	9.22	9.16	9.01	8.89	8.83
Green Bay (Brown County)	436	431	443	40.8	41.1	42.1	10.69	10.49	10.53	10.09	9.95
Janesville (City)	491	438	487	38.2	37.6	39.2	12.85	11.65	12.42	12.50	11.55
Janesville-Beloit (Rock County)	444	395	449	38.4	38.1	41.2	11.57	10.38	10.90	11.19	10.16
Kenosha (County)	457	454	516	38.7	39.2	42.5	11.81	11.57	12.15	11.47	11.37
La Crosse (County)	342	343	354	38.8	39.0	39.2	8.81	8.80	9.04	8.55	8.44
Madison (Dane County)	374	383	357	40.2	41.0	39.1	9.31	9.34	9.12	8.90	8.92
Manitowoc (County)	344	339	324	38.3	39.0	38.0	8.98	8.69	8.53	8.78	8.47
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	452	460	462	40.1	40.8	41.6	11.28	11.27	11.11	10.88	10.84
Racine (County)	420	428	432	39.0	39.9	41.6	10.78	10.72	10.39	10.44	10.30
Sheboygan (County)	383	389	374	39.5	40.3	39.3	9.70	9.65	9.52	9.36	9.26
Wausau (Marathon County)	402	396	393	42.5	41.6	42.7	9.45	9.52	9.20	9.11	9.10

EMPLOYMENT, MFG. (Unadjusted) NOVEMBER	(In Thousands)			Percent Change	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
United States	19,775.0	19,851.0	19,093.0	-0.4	3.6
Wisconsin	504.6	509.2	499.3	-0.9	1.1
Selected Areas					
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	47.5	47.7	46.8	-0.4	1.5
Beloit (City)	5.3	5.4	5.9	-1.9	-10.2
Eau Claire (Eau Claire-Chippewa)	9.1	9.1	9.0	0.0	1.1
Fond du Lac (County)	9.8	10.2	9.5	-3.9	3.2
Green Bay (Brown County)	21.8	22.5	21.1	-3.1	3.3
Janesville (City)	11.3	8.2	11.1	37.8	1.8
Janesville-Beloit (Rock County)	19.0	15.8	19.2	20.3	-1.0
Kenosha (County)	17.2	17.5	18.0	-1.7	-4.4
La Crosse (County)	10.6	10.7	10.2	-0.9	3.9
Madison (Dane County)	19.9	19.9	19.1	0.0	4.2
Manitowoc (County)	11.0	11.1	11.7	-0.9	-6.0
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	169.2	169.6	167.5	-0.2	1.0
Racine (County)	24.8	25.0	24.7	-0.8	0.4
Sheboygan (County)	18.7	19.1	17.5	-2.1	6.9
Wausau (Marathon County)	11.5	11.7	11.4	-1.7	0.9

ECONOMIC INDICATORS REQUIRE INTERPRETATION

by Joseph Tumpach, Jr.

Our's has become a society oriented to change. This is particularly true of our business and economic world, where technology seems to force change at an accelerating pace. Our perspective has changed from what are the present business conditions to how has the present changed and what is the trend. We calculate percent changes, we convert present data to annualized rates, we index, we seasonally adjust, and we project, project, project! The success of a business enterprise often depends on the ability to assess future conditions and to recognize current trends.

Indicators of economic activity are valuable tools for gauging trends in an economy which operates in cycles of expansion and recession, prosperity and leanness. But, economic indicators may require in-depth analysis for proper interpretation.

The help-wanted index is an example. It is a valuable indicator of labor market conditions and the general cyclical health of the economy. The index is based on the number of help-wanted advertisements printed in the classified sections of newspapers in major employment areas. A peculiarity of the help-wanted index is that it starts declining several months before economic activity reaches a peak, and, thus, is a leading indicator. But at the trough of economic activity, a recession, and early in recovery, the help-wanted index tends to coincide or even lag changes in economic activity. Thus, the index changes from a leading to a coinciding or even lagging indicator.

There are a couple of reasons. First, firms will increase the working hours of their existing personnel before hiring new employees, since the turning point to recovery is uncertain. Second, many workers on layoff will be recalled before new hiring begins, thus, delaying the need to advertise. Awareness of the shifts in the indicating potential of the help-wanted index is necessary before basing economic evaluations and predictions on its change.

Other qualifiers exist for other economic indicators. The average number of hours worked per week is a good leading indicator of economic activity throughout the business cycle. We have reliable average workweek data, however, only for manufacturing industries, and only for production workers in manufacturing. Thus, to the extent that the entire economy depends on or is driven by manufacturing industries, or to the extent that the workweek in other industries behaves like the manufacturing workweek during the business cycle, the average workweek figure is a good leading economic indicator.

How significant a part of the economy is manufacturing and what is its future in Wisconsin? While service industries have been the fastest growing industries in number of new employees, and while trade and government employment figures are large, manufacturing remains the largest segment of the economy in number of workers. Wage levels may determine whether manufacturing retains its primacy in employment. Typically high wages in manufacturing often result in more automation on the factory floor, or result in relocation to a cheaper-labor area. Manufacturing wages, however, have recently tended to rise only moderately, with some sectors having wage cuts and wage freezes. Manufacturing will remain a significant employer for some time, and the average workweek remains a valuable indicator.

Increasing hours in the length of the

workweek don't always indicate better business conditions. And a shorter workweek is not necessarily indicative of a deteriorating economy. Seasonal factors can cause dramatic shifts: food processing, when in full season, for example, can lengthen the average workweek figure. An annual average of the workweek number removes the seasonal gyrations and demonstrates the relationship between the average workweek hours and the general economic condition.

The last full-calendar-year of economic growth prior to the latest recession was 1979; the recession began in the fourth quarter of 1980. The recession in Wisconsin reached its depth in the final quarter of 1982. The average number of hours worked per week by production workers in Wisconsin manufacturing clearly shows the cycle. The average workweek fell to under forty hours in 1982, but in 1983 and in the first eleven months of 1984, rose back to over forty hours per week.

A year's worth of weekly averages, however, is quite a gross measurement. Fluctuations of the average can vary significantly within a year from more than just seasonal factors. The average workweek-business cycle relation is complex. To meet changing demands for manufactured products, employers typically find it easier and more economical in the short run to vary the number of hours worked by their production workers than to resort to hiring and laying off.

Once employers are confident of economic recovery, a recall of previously layed off workers and new hiring will reduce the need for longer work weeks. Thus, the average workweek reaches a pause, and rehiring and new hiring begins. Given the need to increase production, there is a point at which an employer will add workers rather than pay premium overtime wages. Once the economy is again booming and once the employer is fully staffed, the average workweek may decrease as employers opt for second shifts or even expand production facilities.

What is important in the production equation is both the number of workers and the time spent on the job. While the average workweek has risen to the pre-recession level in Wisconsin, the number of production workers is still well below the 1979 level. Thus, if the state's manufacturing economy continues to recover and grow during the next year and beyond, the average workweek may decrease slightly, but manufacturing employment will grow. In that case, a decrease in the average workweek will not portend a business slack.

Even a series of data such as wage figures is not as straightforward as it seems. The average earnings of manufacturing production workers is greatly influenced by the business cycle. With the onset of recession, employers normally layoff workers with the least seniority. The remaining, more senior workers, are usually higher paid workers, thus, the average weekly wage of those working tends to rise. With economic recovery, as new employees are added to the payroll, the average wage is lowered by the newer employee's lower starting wage. Coupled with that is an employer's caution in hiring new workers until certain of economic recovery. An employer is usually willing to pay overtime pay to fewer workers rather than rush into new hiring.

The two trends, lower pay for new workers and caution in hiring new workers, have a counteracting affect on the average wage data. Another factor is that different industries,

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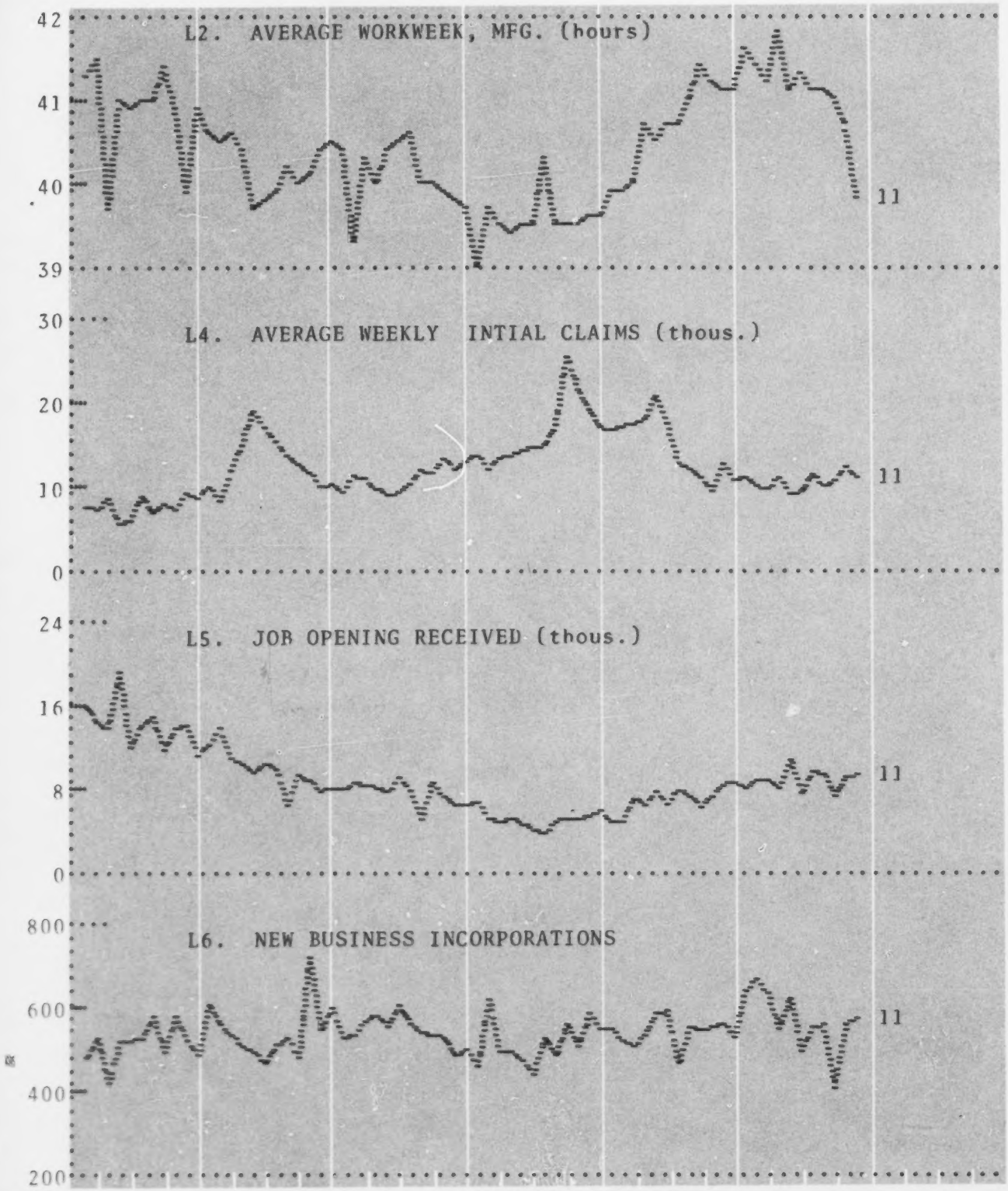

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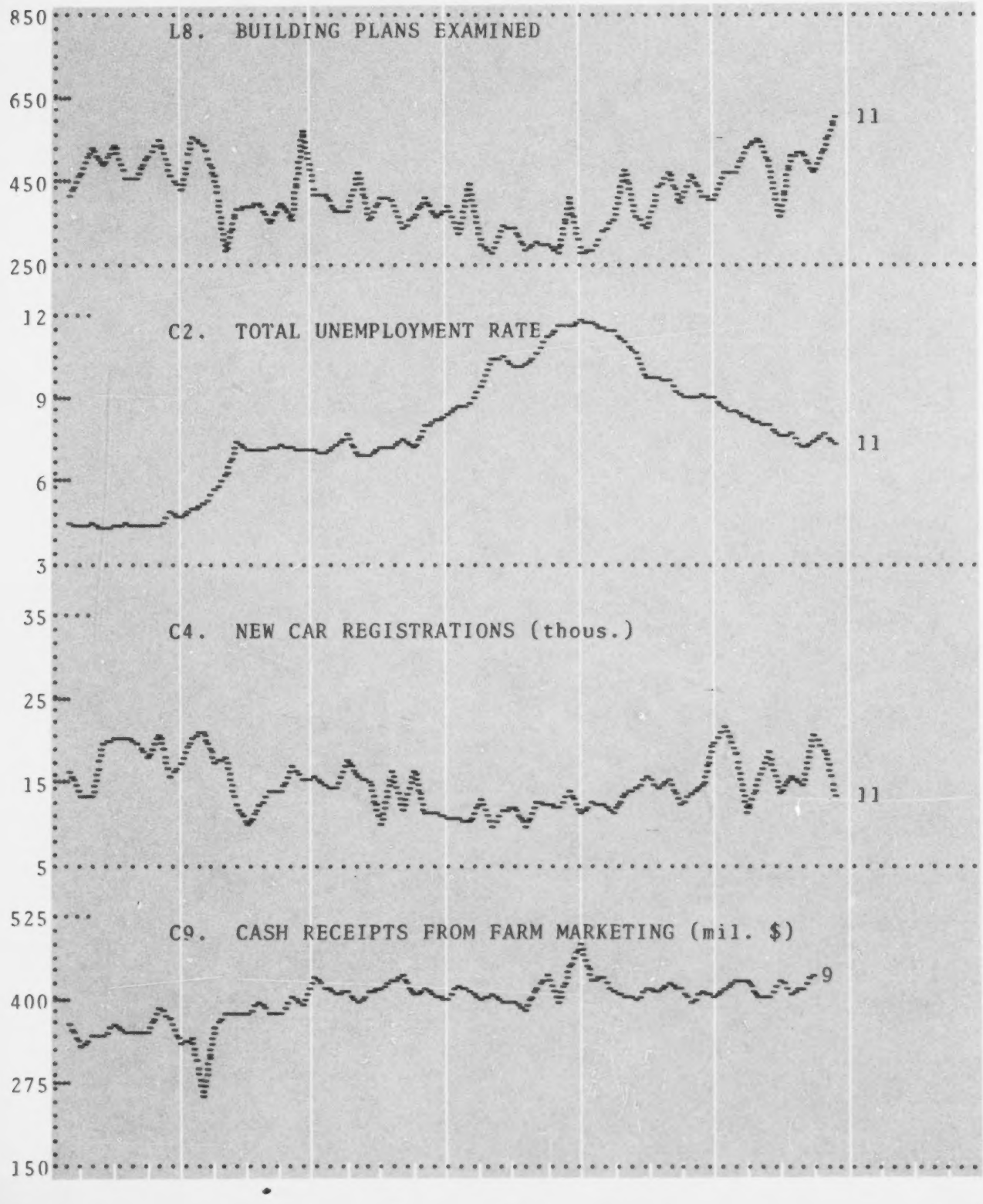

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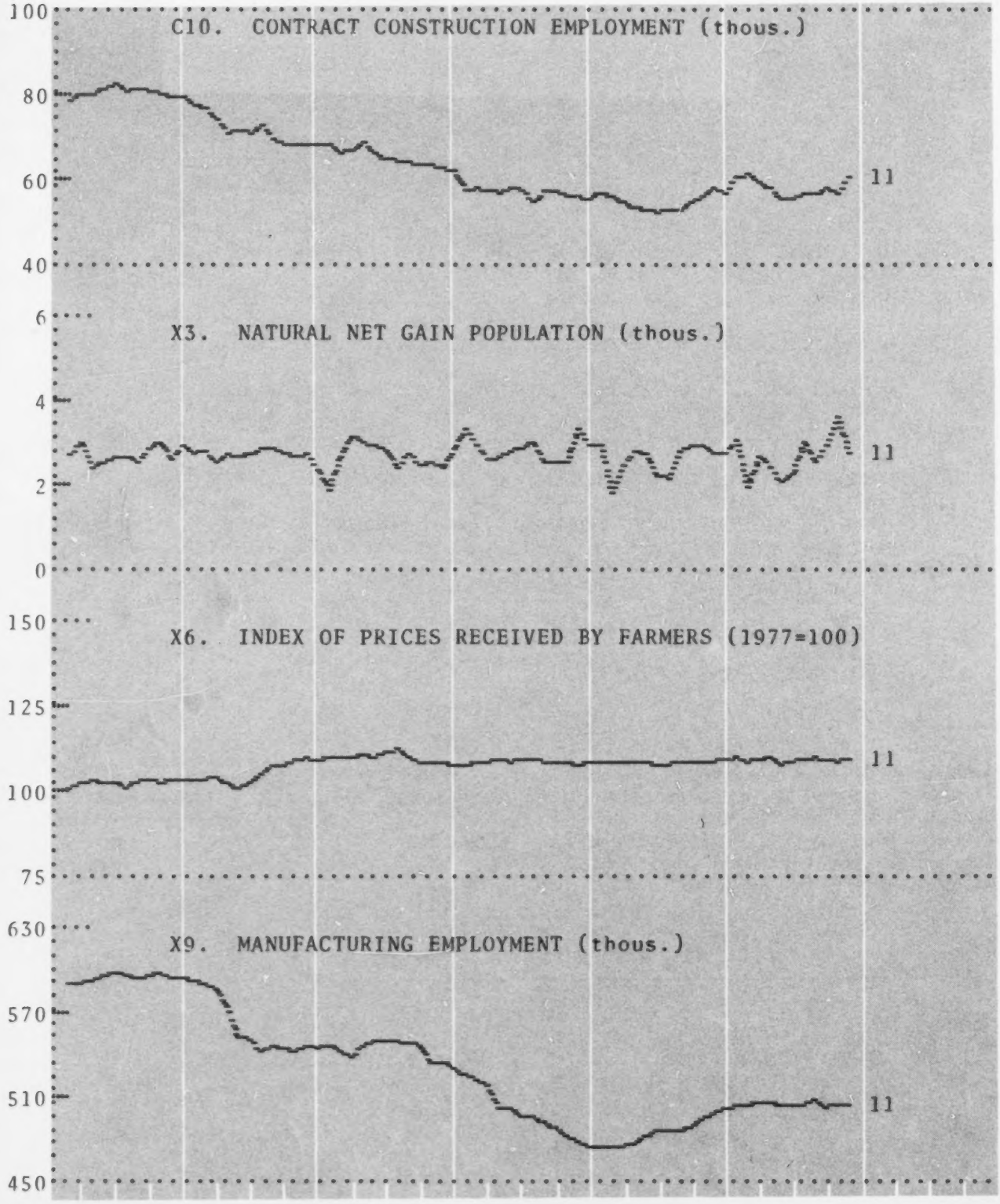

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which have different wage scales, are affected differently by a recession. Durable goods manufacturing, usually having higher wages, was more severely affected in the last recession. When interpreting wage figures, like other economic indicators, consideration must be given to the factors affecting the figures.